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DEPARTMENT FOR EUR(DICARLO), EUR/SCE(FOOKS)

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SUBJECT: BOSNIA - SCENESETTER FOR THE OCTOBER 30-31 PIC

Classified By: Ambassador Charles English. Reason 1.4(b) and (d)

¶1. (C) SUMMARY: Republika Srpska Premier Milorad Dodik's ongoing challenge to the authority of the High Representative represents a serious challenge to U.S. interests and is the most fundamental challenge to the integrity of the state of Bosnia and Herzegovina since the signing of Dayton. Kosovo is never far from the debate and Bosnian Serb leaders, supported rhetorically from Belgrade, are increasingly willing to evoke previously taboo linkages. The October PIC will need to make clear that it fully supports the High Representative and his decisions and signal clearly that there will be consequences if Dodik further escalates this crisis. Russia has staked out a position, opposing use of the Bonn Powers and pushing for the closure of OHR, that is incompatible to ours, and Russia promises to play an unhelpful role at the PIC. This meeting of the PIC will be a crucial juncture in implementing our core strategic objectives in Bosnia. It has become clear that we cannot rely on Europe alone to keep Bosnia whole and moving forward. U.S. leadership and robust international engagement -- in the form of a reinvigorated OHR -- are required to get us there. END SUMMARY

Approaching the Rubicon

¶2. (C) Barring an unexpected change of course by Bosnian Serbs over the October 27-28 weekend, the PIC will meet during what might become Bosnia's worst political crisis since Dayton. Though we are working to prevent it, we expect the Republika Srpska National Assembly (RSNA) to hold a special session on October 29. Based on the RS leadership's press comments, we anticipate the RSNA will:

- Declare the HighRep's October 19 decisions are unconstitutional, violate Dayton, and create the possibility that Serbs could be "outvoted" in the Council of Ministers and Parliamentary Assembly;
- Threaten the resignation of Bosnian Serb officials from state level institutions and obstruction in the state Parliament if the measures are not withdrawn.
- Call for the abolition of the Bonn Powers;
- Withdraw RS consent from previous transfers of competencies to the state, including the decisions forming the armed forces, the Indirect Taxation Authority, and the High Judicial and Prosecutorial Council

¶3. (C) If the RSNA adopts these conclusions, the October PIC will take place in the wake of a significant escalation by

the RS of its confrontation with the HighRep and the international community. The conclusions would translate the anti-Dayton rhetoric of RS political leaders into a formal policy of opposition to the HighRep and undermining the state. We anticipate Dodik would claim to be bound by the conclusions as the "will of the Bosnian Serbs" and have no choice but to reject the October 19 measures and begin to enact other RSNA resolutions.

A Note On The HighRep's Measures

14. (C) Dodik's response to the HighRep's October 19 measures has been disproportionate to their impact and willfully disingenuous. The OHR measures essentially require Ministers and MPs to be present at sessions of Parliament and the Council of Ministers in order to participate in state-level decision-making. The measures do not eliminate entity voting or safeguards protecting the interests of Bosnian Serbs or any other constituent people. We believe the RS leadership fully understands this, although they have chosen to purposefully misrepresent the measures in public. As OHR and the international community have rebutted specific RS objections, Dodik and the RS leadership have chosen to prolong the standoff by raising new ones. Twice the last week, Lajcak offered Dodik sufficient political cover to end the confrontation; first during their meeting in Banja Luka, and second, when OHR provided him with a legal explanation of the measures, which makes clear purported RS fears are unfounded. Dodik rejected both.

What The PIC Must Do

15. (C) We believe that Dodik's real aim in forcing a confrontation with the HighRep is to neuter the international community's influence in Bosnia, which would allow him to define Bosnia's future, up to and including its dissolution. It is suggestive that, in addition to attacks on the HighRep, Dodik's rhetoric has challenged the legitimacy of Bosnia, disparaged the notion of a Bosnian identity, criticized the functionality of the state, and trumpeted the efficiency and functionality of the RS. If we back down in the face of this kind of challenge, or are seen to lose this confrontation, the authority of the PIC and the High Representative regime will crumble. Bosnia's integrity as a functioning state will not be far behind. The PIC must issue a strong communique that backs the HighRep and lays down some markers of its own. It must make clear that Dodik's defiance of the HighRep and attempts to hold the state hostage to his agenda contravene Dayton, and will carry consequences.

Managing the Russians

16. (C) Russia is becoming a serious problem in Bosnia. It was the only PIC Steering Board country to oppose Lajcak's October 19 measures. Russian Deputy FM Titov told Lajcak that he should not use the Bonn Powers and questioned the future of the Bosnian state. We expect the problems with Russia to continue at the October PIC. At the October 26 SBA, Russia hinted that it may take its own, contrary legal interpretation of the High Representative's measures for discussion. Though not an ideal outcome, we should be prepared to accept another footnoted communique, if the Russians balk at language supporting the HighRep and warning local politicians against anti-Dayton rhetoric and actions. Europeans are anxious about antagonizing the Russians prior to UNSC consideration in November of a resolution extending the EUFOR mandate. This will complicate our efforts to present a united front.

Kosovo

17. (C) Kosovo status has remained a consistent subtext throughout the confrontation. SNSD Spokesman Rajko Vasic has revived the option of calling for a referendum on RS status.

Serbian Prime Minister Vojislav Kostinuca's October 25 comments explicitly linking the status of the RS and Kosovo and the highest priorities of the state have, for the first time since the beginning of the crisis, prompted Bosniak and Croat leaders to break their silence and register their growing concern. If Dodik succeeds in forcing the HighRep and international community to back down, anti-Dayton, nationalist forces in Bosnia will grow in strength and confidence. At the same time, these forces will find it easier to exploit Kosovo for their own purposes in a deteriorating political situation, increasing the risk of instability here and complicating the Kosovo end game. In other words, we must resist the temptation, strongest among the Europeans, to put off tough decisions and action in Bosnia until Kosovo is resolved. These challenges cannot be sequenced.

Debating OHR's Mission

18. (C) At the October 19 Steering Board Ambassadors (SBA), the HighRep said he planned to incorporate a strategic discussion of OHR's mission in Bosnia into the October PIC. Lajcak said he would frame the discussion by presenting three options: 1) accepting the status quo, closing down OHR in June 2008, and declaring success; 2) keeping an ineffective OHR open beyond June 2008, or; 3) keeping a proactive OHR open beyond June 2008, which would ensure Bosnia is a functional state and is locked it into a self-sustaining path towards Euro-Atlantic integration. As we have argued for the last several months, the right answer is the last. This has been, and, in our view, must remain, our core strategic objective in Bosnia. U.S. leadership and robust international engagement -- in the form of a reinvigorated OHR -- are required to get us there. The last 18 months have made clear that Bosnian political leaders are either unwilling or incapable of making the compromises necessary to secure Bosnia's Euro-Atlantic future, and that the "pull" of European Union membership by itself is not enough to propel Bosnia forward.

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